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No. 82-775

In the

Supreme Court of the United States

OCTOBER TERM, 1982

GREEN BAY PACKAGING INC., ST. VINCENT HOSPITAL, and LEO N. CROWLEY,

Petitioners,

v.

TECHNICON MEDICAL INFORMATION SYSTEMS CORP.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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There are no parent, subsidiary, or affiliate companies of petitioner Green Bay Packaging Inc.

QUESTION PRESENTED

Whether the acts of

(1) affixing to certain documents a statutory notice of copyright including the prescribed year date of first publication, pursuant to the 1909 Copyright Act and the Universal Copyright Convention, and

(2) publishing the documents,

estop the party who affixed the notice and published the documents from subsequently asserting that such documents have not been generally published as represented by the copyright notice, but instead contain subject matter which is "trade secret."

PARTIES TO THE PROCEEDING BELOW

The plaintiff-appellee below is Technicon Medical Information Systems Corp. The defendants-appellants below are Green Bay Packaging Inc., St. Vincent Hospital, and Leo N. Crowley.

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OPINIONS BELOW

The opinion of the United States Court of Appeals for the Seventh Circuit (App. 1 to 13) is reported at 687 F.2d 1032 (7th Cir. 1982). The opinion of the United States District Court for the Eastern District of Wisconsin (App. 22 to 34) is reported at 211 U.S.P.Q. (BNA) 343 (E.D. Wis. 1980).

JURISDICTION

The United States Court of Appeals for the Seventh Circuit issued its opinion and entered its judgment on August 30, 1982. Rehearing was not requested. Petitioners invoke the jurisdiction of this Court pursuant to 28 U.S.C. § 1254(1) (1976).

STATUTORY PROVISIONS INVOLVED

United States Code, appendix to Title 17 (1909 Copyright Act):

> § 10. Publication Of Work With Notice
>
> Any person entitled thereto by this title may secure copyright for his work by publication thereof with the notice of copyright required by this title; and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor. . . .
>
> § 19. Notice; Form
>
> The notice of copyright required by section 10 of this title shall consist either of the word "Copyright", the abbreviation "Copr.", or the symbol ©, accompanied by the name of the copyright proprietor, and if the work be a printed literary, musical, or dramatic work, the notice shall include also the year in which the copyright was secured by publication.
>
> § 26. Terms Defined
>
> In the interpretation and construction of this title "the date of publication" shall in the case of a work of which copies are reproduced for sale or distribution be held to be the earliest date when copies of the first authorized edition were placed on sale, sold, or publicly distributed by the proprietor of the copyright or under his authority. . . .

TREATY PROVISIONS INVOLVED

Universal Copyright Convention (Paris Text):

Article III

1. Any Contracting State which, under its domestic law, requires as a condition of copyright, compliance with formalities such as deposit, registration, notice, notarial certificates, payment of fees or manufacture or publication in that Contracting State, shall regard these requirements as satisfied with respect to all works protected in accordance with this Convention and first published outside its territory and the author of which is not one of its nationals, if from the time of the first publication all the copies of the work published with the authority of the author or other copyright proprietor bear the symbol © accompanied by the name of the copyright proprietor and the year of first publication placed in such manner and location as to give reasonable notice of claim of copyright.

Article VI

"Publication," as used in this Convention, means the reproduction in tangible form and the general distribution to the public of copies of a work from which it can be read or otherwise visually perceived.

STATEMENT OF THE CASE

I. INTRODUCTORY STATEMENT

This case presents a question of great importance, which has vexed those asserting and defending against alleged trade secret rights for at least the past 70 years, but which has never been addressed by this Court. At issue is the meaning of statutory notice of copyright, and whether one who uses such a notice is bound by what it represents to the public. The decision of the Seventh Circuit Court of Appeals permits a per-

son to affix a copyright notice on a document to invoke statutory rights and the resulting chilling effect on competition, and then subsequently to deny that any publication of the document took place when that person affixing the notice sues his competitor for trade secret misappropriation and copyright infringement.

The Seventh Circuit decision condones disregard for federal statutory copyright law and encourages suppression of legal competition. It also facilitates baseless trade secret litigation. The question presented here has prompted grave concern among lawyers and the public, particularly those in the computer industry. Moreover, legal and business commentators have vigorously disputed the proper approach to its resolution.

Also, the Seventh Circuit decision ignored the effect of the Universal Copyright Convention, effectively permitting misuse of a copyright notice prescribed by an international treaty duly ratified by the United States. This Court's guidance is needed to insure that the U. S. Copyright Law and the Universal Copyright Convention treaty provisions will not be misused to the public detriment through misleading use of copyright notice.

II. FACTUAL BACKGROUND

Respondent, Technicon Medical Information Systems Corp. ("TMIS"), commenced this action alleging that petitioners, Green Bay Packaging Inc. ("Green Bay"), St. Vincent Hospital, and Leo N. Crowley, misappropriated alleged TMIS trade secrets relating to computer "software" (computer programs) for hospital business management services. Petitioners have denied misappropriation, and have counterclaimed for antitrust violations.

Pursuant to a contract between TMIS and its predecessor, on the one hand, and Green Bay, on the other hand, Green Bay made its computer "hardware" available so that data processing services could be provided to certain Wisconsin hospital customers of TMIS. For some time prior to that contract, and during its pendency, St. Vincent Hospital gratuitously contributed its knowledge and experience to improve the TMIS computerized hospital management system. The TMIS contract with St. Vincent Hospital had no provision requiring that St. Vincent Hospital treat any material conveyed by TMIS as secret.

While St. Vincent Hospital was a customer of TMIS, it received printed computer manual publications. The TMIS "Technical Publications" department distributed numerous copies of these publications to more than 40 hospital customers, such as St. Vincent Hospital, and to others. The occurrence of at least a "limited" publication is not in dispute. Nevertheless, TMIS now contends that these publications contain trade secrets.

TMIS affixed the statutory copyright notice prescribed by the 1909 Copyright Act[1] (17 U.S.C. §§ 10, 19, and 26 (1976)), as well as a "proprietary legend" (quoted at 687 F.2d at 1033 n.1; App. 2), to the publications that it distributed. Under both the 1909 Copyright Act and the Universal Copyright Convention, the copyright notice

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[1] Each copyright notice contained the internationally recognized symbol "©" pursuant to the 1909 Copyright Act and the Universal Copyright Convention, followed by the name of the copyright proprietor, "Technicon Medical Information Systems Corp.," and by a year-date of publication (687 F.2d at 1033; App. 2). The printed Court of Appeals opinion contains a typographical error: "©" is reproduced as "(c)".

which TMIS affixed to the publications signifies that there was a publication in a specific year. Nevertheless, TMIS asserted in courts below that the publication of its manuals did not destroy its trade secrets.

III. THE PROCEEDINGS BELOW

A. The District Court Proceeding

In an effort to dispose of this entire trade secret and copyright controversy expeditiously, petitoners filed a motion for summary judgment on the above-quoted controlling issue of law. The TMIS Complaint as originally filed included both common law copyright and trade secret counts. Petitioners' motion sought an order estopping TMIS from claiming that its software publications, which it had earlier represented by a statutory copyright notice to be published works, instead are unpublished documents subject to both trade secret and common law copyright protection.

The District Court agreed with petitioners that, through its copyright notice, TMIS had invoked statutory copyright protection, and thereby had waived any common law copyright protection. The District Court therefore dismissed the seventh count of the Complaint—TMIS' common law copyright count (App. 28).

The District Court, however, rejected petitioners' argument that publication with a statutory copyright notice estops the owner from asserting trade secret misappropriation. Petitioners thereafter moved for interlocutory appeal pursuant to 28 U.S.C. § 1292(b) (1976), based upon the important and controlling question of law set forth above. The District Court granted the motion and certified the above-quoted controlling question of

law for appeal in its January 26, 1981 order (App. 18-21; reported in Copyright L. Rep. (CCH) ¶25,261 (E.D. Wis. 1981).

B. The Seventh Circuit Court of Appeals Decision

The Seventh Circuit granted petitioners' request for appeal under 28 U.S.C. § 1292(b) on March 6, 1981 (App. 16-17), heard oral argument, and rendered its judgment and opinion on August 30, 1982, answering the above-quoted controlling question of law in the *negative* (687 F.2d at 1039; App. 13).

In deciding the copyright estoppel question, the Court of Appeals enumerated three requirements for the doctrine of statutory estoppel utilized by this Court in *Exchange Trust Co.* v. *Drainage Dist. No. 7*, 278 U.S. 421, 425 (1929):

> (1) assertion by a party of entitlement to statutory right or privilege;
>
> (2) the receipt by that party of an actual benefit pursuant to the statute; and,
>
> (3) subsequent assertion by that party which is inconsistent with entitlement to the statutory benefit previously received. [687 F.2d at 1034; App. 4.]

While admitting that the first requirement was satisfied, the Court of Appeals held that the second was not, stating that TMIS did not receive any actual benefit from placing statutory copyright notice on its computer publications. The Court did not reach the third factor.

The Seventh Circuit therefore answered the certified question in the negative, giving no weight to the actual benefits received by TMIS—the copyright proprietor's property rights in the expression of the work which are assignable and licensable for valuable consideration. Neither did the Court of Appeals consider the demonstrated fact that the general public, upon seeing a copyright notice, recognizes that the copyright proprietor claims rights in the work under the U.S. Copyright Law and the Universal Copyright Convention.

REASONS FOR GRANTING THE WRIT

I. THE IMPORTANT QUESTION PRESENTED URGENTLY NEEDS RESOLUTION BY THIS COURT

A. Statutory Copyright Notice On A Publication Tells the Public That The Contents Are Not Secret

The question posed in this case strikes right at the heart of the inherent conflict between the two alternative systems for protecting certain intellectual property: federal copyright law and state trade secret law. Trade secret law protects the ideas and information in a secret document; copyright law protects only the published *form of expression* of those ideas and information. *Compare Kewanee Oil Co.* v. *Bicron Corp.*, 416 U.S. 470 (1974) *with Goldstein* v. *California*, 412 U.S. 546 (1973). Therefore, the public may make "open and free" use of the ideas and information disclosed in the copyrighted work[2] as long as it does not copy the form of

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[2] As cogently stated by one court:

> [T]he public is not free to use the invention described in a patent, but *it is privileged to use whatever information is imparted in a copyrighted book* about any system, art or manufacture described in it; furthermore . . . such a use is a consideration the public receives for the grant of the copyright. [Emphasis added]

Aldrich v. *Remington Rand, Inc.*, 52 F. Supp. 732, 734 (N.D. Tex. 1942). *Accord, Data Cash Sys.* v. *J S & A Group, Inc.*, 628 F.2d 1038, 1043 (7th Cir. 1980); *Crume* v. *Pacific Mutual Life Insurance Co.*, 140 F.2d 182, 183, *cert. denied*, 322 U.S. 755 (1944). *National Comics Publications, Inc.* v. *Fawcett Publications, Inc.*, 191 F.2d 594, 600 (2d Cir. 1951).

expression without authorization. 17 U.S.C. § 1 (1976).[3] *See Baker* v. *Selden*, 101 U.S. 99, 104 (1879); *National Comics Publications, Inc.* v. *Fawcett Publications, Inc.*, 191 F.2d 594, 600 (2d Cir. 1951); *Letter Edged in Black Press, Inc.* v. *Public Building Comm'n of Chicago*, 320 F. Supp. 1303, 1308 (N.D. Ill. 1970).

The statutory copyright notice tells the public that the document bearing the notice has been published on a certain date by the copyright proprietor. By way of example, the TMIS manuals distributed during and after 1974 bear the following statutory notice:

"© Technicon Medical Information Systems Corp., 1974"

Such statutory notice under the 1909 Copyright Act (17 U.S.C. §§ 10, 19 (1976)), and the Universal Copyright Convention (art. III, ¶1 and art. VI (Paris Text), *reprinted in* 4 M. NIMMER, NIMMER ON COPYRIGHT app. 25, at 25-2 and 25-13 (1982)), must include the year of first publication (1974). The symbol "©" invokes the benefit of the Universal Copyright Convention in addition to the protection of the U.S. Copyright Laws. The name of the copyright proprietor, "Technicon Medical Information Systems Corp.," is also included. See 17 U.S.C. §19 (1976).

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[3] While the provisions of the 1909 Copyright Act, and not the new 1976 Copyright Act, are at issue here, this question presented will continue to be raised, if unresolved by this Court, because the 1909 Copyright Act is still relevant for "undertakings commenced before January 1, 1978." 687 F.2d at 1034 n.4; App. at 2. *See* 17 U.S.C. § 301(b)(2) (Supp. IV 1980).

Thus, statutory copyright notice unequivocally represents that the document containing the notice has been published and therefore the contents are not "secret."[4]

B. Unless This Court Resolves The Question, Confusion About Proper Use Of And Reliance Upon Statutory Copyright Notice Will Plague The Public And The Courts

The inconsistency of placing statutory copyright notice on allegedly secret documents and then distributing the documents is not a theoretical problem. The public relies heavily upon statutory copyright notice for what it says.[5] For example, sixty-one percent of those industries surveyed by a Congressional subcommittee in 1959 reported *day-to-day reliance* on copyright notices to learn of a claim of copyright protection, to identify the copyright owner, and to determine the publication date. REPORTS OF SUBCOMMITTEE OF PATENTS, TRADEMARKS AND COPYRIGHTS OF THE U.S. SENATE COMMITTEE ON THE JUDICIARY, *reprinted in* STUDIES ON COPYRIGHT 275, 281 (Arthur Fisher mem. ed. 1963).

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[4] If TMIS or some other party attempting to protect alleged trade secrets wished to mark a short notice on unpublished documents similar to the statutory copyright notice for published documents, the following has been suggested in the 1980 ABA Committee Reports, Section of Patent, Trademark and Copyright Law 211, 219 (presented at the annual meeting, August 1-5, 1980):

"Unpublished—All Rights Reserved
Under The Copyright Laws."

[5] Even if there were no reliance by the public, the Court of Appeals agreed that the statutory estoppel doctrine could be applicable if the three requirements were met. 687 F.2d at 1034; App. 3.

Moreover, of the libraries responding to the survey, ninety-eight percent relied upon copyright notices, and at least some librarians considered copyright notice "as a protection of the public against misrepresentation of the content, much as the labeling requirements of the Pure Food and Drug Act . . . protect the public in the use of such products." *Id.* at 319, 321. Because there is such widespread reliance on statutory copyright notice, guidance from this Court is sorely needed to explain that the public can rely upon the notice for what it says: the contents of the documents bearing the notice are *not* secret.[8]

The uncertainty in this area is so great that for several years, committees of the American Bar Association Section of Patent, Trademark and Copyright Law have debated this issue, with committee members disagreeing over the proper resolution of the problem. *See* 1982 ABA COMMITTEE REPORTS, SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW 135, 139 (presented at the annual meeting, August 6-11, 1982) ("1982 ABA Report"); 1981 ABA COMMITTEE REPORTS, SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW 91, 93 (presented at the annual meeting, August 7-12, 1981) ("1981

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[8] As further evidence of how confusing this area can be, at least one federal agency has found it necessary to "legislate" administratively a solution to this dilemma. The National Aeronautics and Space Administration (NASA) has promulgated a regulation which states that affixing a copyright notice on a work submitted to NASA is *conclusive proof* that the work has been *generally published*, regardless of the presence of a proprietary legend, and that trade secret protection is *not* available for the information contained in the work. 41 C.F.R. ch. 18, § 9.203-4 (g) (iv), at 9-2:19 (1982). *See also* 41 C.F.R. ch. 18, § 9.203-4(a) at 9-2:17 (1982).

ABA Report"); 1980 ABA COMMITTEE REPORTS, SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW 211, 218-19 (presented at the annual meeting, August 1-5, 1980) ("1980 ABA Report"). As stated in the 1981 ABA Report:

> Lawyers continue to be plagued by the uncertainty of the interplay between state trade secret law and federal copyright protection. *This is especially evident in connection with the practice of marking trade secret documents with a copyright notice and date of publication, done in the belief that this gives remedies and protection under the state trade secret and the federal copyright laws.* In the event trade secret protection fails, it is hoped, federal copyright protection will be available and date back to the original publication date affixed to the documents . . . .
>
> • • • •
>
> It can also be argued that affixing the copyright notice and date of publication to a work estops the owner to deny that publication has occurred or to assert a secret in the contents of the work. See *Green Bay Packaging, Inc.* v. *Technicon Medical Information Systems Corp.*, Misc. No. 81-8004 (7th Cir. hearing granted March 6, 1981). [1981 ABA Report at 91, 93; emphasis added.]

The importance of the question is also suggested by the spate of recent cases involving related issues which skirt, but have not fully addressed, the question.[7] Legal

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[7] *E.g.*, *Bryce & Assoc.* v. *Gladstone*, 107 Wis. 2d 241, 319 N.W.2d 907 (Ct. App. 1982), *cert. denied*, 51 U.S.L.W. 3304 (U.S. Oct. 18, 1982) (No. 82-340); *Warrington Assoc.* v. *Real Time Eng. Systems, Inc.*, 522 F. Supp. 367 (N.D. Ill. 1981); *Avco Corp.* v. *Precision Air Parts, Inc.*, 210 U.S.P.Q. (BNA) 894 (M.D. Ala. 1980), *aff'd on other grounds*, 676 F.2d 494 (11th Cir. 1982); *Mitchell*

and business commentators recognizing the immense legal and practical significance of the question presented have puzzled over this very case and the inconsistency between statutory copyright notice on a document and subsequent assertion of trade secrets in the document. *E.g.*, Luccarelli, *The Supremacy of Federal Copyright Law Over State Trade Secret Law for Copyrightable Computer Programs Marked with a Copyright Notice*, III COMPUTER L.J. 19, 49 (1981); Schmidt, *Legal Proprietary Interests in Computer Programs: The American Experience*, 21 JURIMETRICS J. 345, 397 (1981).[7]

The question presented herein is not only of vital importance to the computer software industry, but also touches virtually every industry and profession in the

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[7] (Continued)

v. *Penton/Industrial Publishing Co.*, 486 F. Supp. 22, 24-26 (N.D. Ohio 1979); *Management Science America Inc.* v. *Cyborg Systems, Inc.*, 6 Computer L. Serv. Rep. (Callaghan) 921 (N.D. Ill. 1978).

[8] Other articles relating to this issue include: Comment, *Protecting Trade Secrets Through Copyright*, 1981 DUKE L.J. 981, 990, 997; Keplinger, *Computer Software—Its Nature and Its Protection*, 30 EMORY L.J. 483, 505 (1981); Nimtz, *Development of the Law of Computer Software Protection*, 61 J. PAT. OFF. SOC'Y 3, 20-21 (1979); *See also*, Bigelow, *Is There Legal Protection For Software?*, Infosystems, March 1980, at 104; Brickman, *Copyright Act Endangers Trade Secret Status*, Information Systems News, December 14, 1981, at 30; Brickman, *Trade Secrets* v. *Copyright Protection*, Information Systems News, May 18, 1981, at 27; Goetz, *At Stake: Competition, Growth, Survival*, Computerworld, September 10, 1979, at ID/15, ID/20-23; Greguras, *A New Look at Patentability*, Mini-Micro Systems, June 1981, at 161; Kuhn and Ball, *Protecting Software With Copyrights, Patents and Trade Secrets*, Journal of Systems Management, December 1978, at 28, 30.

United States exposed to copyrightable documents. If this Court ignores this problem, it leaves the area charted with but two uncertain and conflicting markers—the Seventh Circuit opinion below, and the contrary opinion of *Larrowe-Louisette* v. *O'Loughlin*, 88 F. 896 (S.D.N.Y. 1898), which give little guidance to the general public.[9]

The overriding public concern at stake here is whether statutory copyright notice has any meaning at all. Unless this Court intervenes, the Court of Appeals decision

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[9] This Court's guidance is also needed to provide standards for interpreting the requirement of "benefit" in the Supreme Court doctrine of statutory estoppel. While the Court of Appeals was unable to find "actual benefit" in the chilling effect of the notice as a deterrent, such a deterrent has been sufficient for many years to invoke the statutory estoppel of "patent marking estoppel." According to that doctrine, a manufacturer who marks a United States patent number on a product pursuant to the statutory notice provided by 35 U.S.C. § 287 (1976) is estopped to deny that the product infringes the patent. *See, e.g., Gridiron Steel Co.* v. *Jones & Laughlin Steel Corp.*, 361 F.2d 791, 797 (6th Cir. 1966); *Collis Co.* v. *Consolidated Machine Tool Corp.*, 41 F.2d 641, 645 (8th Cir. 1930), *cert. denied*, 282 U.S. 886 (1930); *Kant-Skore Piston Co.* v. *Sinclair Mfg. Corp.*, 32 F.2d 882, 885 (6th Cir. 1929), *cert. denied*, 281 U.S. 735 (1930); *Piaget Novelty Co.* v. *Headley*, 108 F. 870, 872-873 (2d Cir. 1901); *Crane Co.* v. *Aeroquip Corp.*, 364 F. Supp. 547, 560, 561 (N.D. Ill. 1973), *modified on other grounds*, 504 F.2d 1086 (7th Cir. 1974); *Kraly* v. *National Distillers and Chemical Corp.*, 173 U.S.P.Q. (BNA) 56, 59 (N.D. Ill. 1972); *Canaan Products, Inc.* v. *Edward Don & Co.*, 273 F. Supp. 492, 502 (N.D. Ill. 1966), *aff'd*, 388 F.2d 540 (7th Cir. 1968); *Touchett* v. *E Z Painter Corp.*, 150 F. Supp. 384, 391 (E.D. Wis. 1957); *Dwight & Lloyd Sintering Co.* v. *American Ore Reclamation Co.*, 44 F. Supp. 401, 402-403 (S.D.N.Y. 1941); *Lathrop* v. *Rice & Adams Corp.*, 17 F. Supp. 622, 626 (W.D.N.Y. 1936).

will permit misuse of the statutory copyright notice to mislead the public and to jeopardize fair and honest competition.

II. THE COURT OF APPEALS DECISION CONFLICTS WITH THE UNIVERSAL COPYRIGHT CONVENTION TREATY

The Court of Appeals completely overlooked the effect of the Universal Copyright Convention. By using the recognized symbol "©", TMIS has invoked the Universal Copyright Convention, which as of 1980 was signed by 73 countries. The Universal Copyright Convention provides that works protected in a member state will also be afforded the protection under the particular laws of each member. Universal Copyright Convention art. II (Paris Text), *reprinted in* 4 M. NIMMER, *supra*, app. 25, at 25-1 to 25-2. The primary purpose of the United States participation in this Convention was to provide a more adequate basis than had previously existed for copyright protection abroad of cultural and scientific works of United States citizens. H.R. REP. No. 2608, 83d Cong., 2d Sess. 2 (1954).

The Universal Copyright Convention prescribes a copyright notice similar to U.S. copyright notice including a "year of first publication." "Publication" is defined as "the reproduction of tangible form and the general distribution to the public of copies of a work . . . ." Universal Copyright Convention art. III, ¶1 and art. VI (Paris Text), *reprinted in* 4 M. NIMMER, *supra*, app. 25 at 25-2 and 25-13.

In fact, in the Universal Copyright Convention, "publication" is "one of the key words in the Convention .... If it were interpreted differently by the various contracting countries, this would lead to confusion in respect to almost the whole Convention." A. Bogsch, Universal Copyright Convention 81 (1958). Since under the Universal Copyright Convention the copyright notice signifies and is recognized by all member countries as *signifying that the work has been published in the year represented in the notice and is entitled to the benefit of the Convention,* it is inappropriate for the courts of any member nation to permit its nationals to make use of the internationally recognized notice without holding its nationals to the representations or consequences of such notice.

Thus, if for no other reason, this Court should review the Court of Appeals decision for its effect in weakening the Universal Copyright Convention by permitting cavalier use of copyright notice containing the symbol "©".

CONCLUSION

For these reasons, this Court should issue a writ of *certiorari* to the United States Court of Appeals for the Seventh Circuit to review the judgment and opinion of that Court.

Respectfully submitted,

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Dated: November 4, 1982

APPENDIX

In the

United States Court of Appeals

For the Seventh Circuit

No. 81-1469

TECHNICON MEDICAL INFORMATION SYSTEMS CORP.,

Plaintiff-Appellee,

v.

GREEN BAY PACKAGING INC., ST. VINCENT HOSPITAL, and LEO N. CROWLEY,

Defendants-Appellants.

Appeal from the United States District Court
for the Eastern District of Wisconsin.
No. 78 C 363—Terence T. Evans, *Judge.*

ARGUED OCTOBER 26, 1981—DECIDED AUGUST 30, 1982

Before PELL and CUDAHY, *Circuit Judges,* and CAMPBELL, *Senior District Judge.**

CAMPBELL, *Senior District Judge.* This cause is before the Court on an interlocutory appeal which presents the following certified question:

> "Whether the acts of (1) affixing to certain documents a statutory notice of copyright including the prescribed year date of first publication, pursuant to the 1909 Copyright Act and the Universal

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* Senior District Judge William J. Campbell of the Northern District of Illinois is sitting by designation.

> Copyright Convention, and (2) publishing the documents, estop the party who affixed the notice and published the documents from subsequently asserting that such documents have not been generally published as represented by the copyright notice, but instead contain subject matter which is 'trade secret.'"

The plaintiff-appellee filed this suit alleging, *inter alia*, that defendants had misappropriated certain trade secrets relating to plaintiff's computer software. The plaintiff had provided computerized business office services to certain hospitals (including defendant St. Vincent Hospital) and defendant Green Bay Packaging Incorporated had contracted with plaintiff to provide data processing services for those customers. Plaintiff prepared and disseminated to its customers a System Reference Manual to enable them to properly use its computerized system. The complaint alleged that defendant St. Vincent Hospital improperly provided defendant Green Bay with the manual and that Green Bay misappropriated trade secrets contained therein.

The manual contained a proprietary legend[1] and a copyright notice: "(c) Technicon Medical Information Systems Corp. 1974." Defendants contend that by placing the copyright notice in the manual, the plaintiff represented that the contents had been published in the year stated. That representation, defendants argue, is inconsistent with the assertion that the material in the manual includes trade secrets and therefore the plaintiff should be estopped from proceeding on a theory of misappropriation of trade secrets. The plaintiff's position is that the manual was never published within the mean-

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[1] The proprietary legend states:

> "The information and designs disclosed herein, except as to vendor proprietary parts, are proprietary to Technicon Medical Information Systems Corp., and shall not be duplicated, used or disclosed, in whole or in part, except with the expressed permission of the owner."

ing of the Copyright Act of 1909,[2] and that the copyright notice was only included for protection in the event that an inadvertent publication occurred. Thus, plaintiff contends, the manual can contain trade secrets and it should be permitted to present evidence on that factual issue.

The defendants presented their estoppel argument to the district court in a Motion for Summary Judgment but did not prevail.[3] However, the District Judge noted that this was a question of first impression[4] and subsequently authorized this interlocutory appeal.

Appellants contend that the certified question should be answered in the affirmative, based on the statutory estoppel doctrine utilized in *Exchange Trust Co. v. Drainage Dist. No. 7*, 278 U.S. 421 (1929); *Magee v. United States*, 282 U.S. 432 (1931); *Littleton v. Mardigan*, 458 F.2d 251 (7th Cir. 1972); *Wheelock v. Commissioner of Internal Revenue*, 77 F.2d 474 (5th Cir. 1935); *United States v. Kassan*, 208 F. Supp. 858 (S.D. Cal. 1962). In their initial brief appellants summarize this estoppel

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[2] The parties agree that the 1909 Copyright Act applies to the facts of this case.

[3] The court did grant defendants' Motion for Summary Judgment on plaintiff's claim for common law copyright protection. This aspect of the court's decision is not at issue in this appeal and therefore we do not comment upon it.

[4] The District Court suggested in its memorandum opinion on defendants' Motion for Summary Judgment that this was also a case of last impression since it involved the "old" Copyright Act. Unfortunately, this was wishful thinking since we have received an *amicus curiae* brief from Arthur Young & Company which states that "it is a party to other litigation which this court's decision would affect," *amicus curiae* br. p. 1. Additionally, a very similar issue was raised (although apparently not argued in terms of estoppel) in *Management Science America, Inc. v. Cyborg Systems, Inc.*, 6 CLSR 921 (N.D. Ill. 1978). Despite the District Judge's laudable wishful thinking, this question could arise again since the 1909 Copyright Act is still relevant for "undertakings commenced before January 1, 1978," see 17 U.S.C. §301(b)(2).

principle as "one who invokes statutory benefits by the making of representations will be estopped to deny such representations," Appellants' br. p. 10. However, in their reply brief they characterize it as "where a person has affirmatively claimed and received the benefit of a statute, that person will be estopped from subsequently denying or repudiating the effects or consequences of such claim, regardless of personal reliance," Appellants' Reply br. p. 6. Our analysis of the cases cited indicates that the application of statutory estoppel requires the presence of three elements:

1) assertion by a party of entitlement to statutory right or privilege;

2) the receipt by that party of an actual benefit pursuant to the statute;

3) subsequent assertion by that party which is inconsistent with entitlement to the statutory benefit previously received.

For example, in *Littleton*, the plaintiff was a truck driver who was injured by another driver while on his job. He filed a claim against his employer, Calumet Trucking Company, under Indiana's Workmen's Compensation Act and received monetary benefits. In filing that claim, the plaintiff had to assert, of course, that he was an employee of Calumet. Subsequently, he brought a civil action against the other driver. Under the Indiana Workmen's Compensation Act, one who had received compensation could still sue a potentially liable party for damages unless it was the employer or a fellow employee. The District Court granted summary judgment for the defendant. This court affirmed, finding that the undisputed facts revealed that the defendant was an employee of Calumet and holding that the plaintiff was estopped, by his conduct in claiming and receiving benefits under the Indiana Workmen's Compensation Act, from denying that he was an employee of the same company. Thus, having claimed entitlement to a statutory right and accepted a benefit thereby, the plaintiff was estopped from making an assertion inconsistent with that entitlement.

Appellant argues that under the 1909 Copyright Act one who has affixed a copyright notice to a work and published it has affirmatively claimed and received the benefit of the Act and should be estopped from claiming that trade secrets are contained therein. The alleged inconsistency in the latter assertion arises from the principle that "information disclosed [in a copyrighted work] is lodged in the public domain, where its use is unrestricted," *Crume v. Pacific Mutual Life Insurance Co.*, 140 F.2d 182, 183 (7th Cir.), *cert. den.* 322 U.S. 755 (1944). Additionally, appellants contend that it is inconsistent to represent that certain material has been published for purposes of the Copyright Act and to claim that the information contained therein is also secret.

There does not appear to be any dispute that the affixing of a copyright notice consists of an assertion of a statutory right, *Goodis v. United Artists Television, Inc.*, 425 F.2d 397, 403 (2nd Cir. 1970). Therefore, the first element of statutory estoppel is present.

We must then determine whether a person who has published a work with notice has received an actual benefit under the 1909 Copyright Act. In order to perfect its copyright under the 1909 Act, a party must "generally publish" the work with a proper notice affixed, 17 U.S.C. §10 (1976), *The Washingtonian Publishing Co. v. Pearson*, 306 U.S. 30 (1939); *Bell v. Combined Registry Company*, 397 F. Supp. 1241 (N.D. Ill.), aff'd 536 F.2d 164 (7th Cir.), *cert. den.* 429 U.S. 1001 (1976). A general publication

> "occurs when by consent of the copyright owner the original or tangible copies of a work are sold, leased, loaned, given away or otherwise made available to the general public, or when an authorized offer is made to dispose of the work in any such manner even if a sale or other such disposition does not, in fact, occur." 1 Nimmer on Copyright §4.04 (1981).

The publication requirement of 17 U.S.C. §10 (1976) is not satisfied when the distribution of the work is only a

"limited publication," *White v. Kimmel*, 193 F.2d 744 (9th Cir.), *cert. den.* 343 U.S. 957 (1952); *Data Cash Systems, Inc. v. JS&A Group, Inc.*, 628 F.2d 1038 (7th Cir. 1980); *Hub Floral Corporation v. Royal Brass Corporation*, 454 F.2d 1226 (2d Cir. 1972).

> "[A] limited publication [is one] which communicates the contents of a manuscript to a definitely selected group and for a limited purpose, and without the right of diffusion, reproduction, distribution or sale, . . ." *White, supra*, quoted in *Data Cash*, 628 F.2d at 1042.

The certified question in this case does not specify which type of publication is in issue and therefore we must address both situations.[5]

Under the 1909 Act, a limited publication is, for legal purposes, no publication at all, and therefore does not result in the divestiture of common law copyright protection or the investiture of statutory copyright protection, see *White, supra, Data Cash, supra, William A. Meier Glass Co. v. Anchor Hocking Glass Corp.*, 95 F. Supp. 264 (W.D. Pa. 1951); *Schellberg v. Empringham*, 36 F.2d 991 (S.D. N.Y. 1929). However, a limited publication with a notice stating the year of the limited publication would affect the potential duration of the statutory copyright protection. This is based on the rule that an antedated notice, i.e., one which states a date prior to the actual investiture of statutory copyright protection, will cause the copyright term to be computed from the date stated therein,[6] *National Comics Pub-*

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[5] In its memorandum opinion on defendants' Motion for Summary Judgment, the District court did not resolve the factual issue of whether the publication in the instant case was limited or general.

[6] This rule also applies to postdated notices if the margin of error is one year or less; if the margin of error is greater than one year, the work is considered to have been published without notice, see 2 *Nimmer on* Copyright §7.08[c][7] (1981) (and cases cited therein).

lications, Inc. v. Fawcett Publications, Inc., 191 F.2d 594 (2d Cir. 1951); *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 161 F.2d 406 (2d Cir.), *cert. den.* 331 U.S. 820 (1947); *Southern Music Pub. Co., Inc. v. Bibo-Lang, Inc.*, 10 F. Supp. 972 (S.D. N.Y. 1935). Despite the fact that the copyright term would be running, no statutory rights would be enforceable until a general publication actually occurred, *Basevi v. Edward O'Toole Co.*, 26 F. Supp. 41 (S.D. N.Y. 1939), see also 2 *Nimmer* on Copyright §7.08[c][2] (1981). For this reason, no benefit inures to the owner of a work which is the subject of a limited publication with notice. In fact, due to the shortening of the duration of the enforceable copyright period, the result would be an abridgement of the owner's rights and would be "a mistake in favor of the public," *Southern Music*, 10 F. Supp. at 974.

Similarly, we do not believe that the act of generally publishing a work with notice results in a sufficient benefit to the owner to warrant the application of statutory estoppel. While that act is necessary to qualify the work for protection under the 1909 Act, no actual benefit would be conferred on the copyright owner until an enforcement action was successfully maintained. Only after such a proceeding would there be a final determination that the owner was entitled to the protection of the Act and some type of relief awarded. While the facts which might support a finding of a general publication would be antithetical to a claim of trade secret protection, inconsistent claims may be properly asserted in the same action, see, Fed. Rule of Civ. Proc. 8(e)(2). Only where a party obtains judicial enforcement of a statutory copyright and subsequently asserts trade secret protection as to the same material would the second element of statutory estoppel be present.[7]

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[7] We note, however, that the complaint in the instant case did not claim a violation of statutory copyright, although it did include a claim for a violation of common law copyright, see fn. 3 *supra*.

Appellants contend, however, that one who publishes a work with a copyright notice obtains a benefit because the notice will serve to deter potential copiers. However, a limited publication is, by definition, "limited to a definitely selected group for a limited purpose . . . *without the right of diffusion, reproduction, distribution, or sale* . . ." [emphasis supplied] *White*, quoted *supra*, p. 6. Those who are privy to a limited publication must be informed of and subject to those restrictions or the distribution will be considered a general publication, see *Data Cash, supra*. Thus, the notice could not be a significant deterrent in that situation.

In the context of a general publication, the copyright notice's deterrent effect is speculative. The notice is merely an assertion of entitlement to statutory copyright protection and is not, of course, conclusive, see *Goodis*, 425 F.2d at 403; *National Comics*, 191 F.2d 594, 602; *Shapiro, Bernstein*, 161 F.2d 406, 408-410; *Cynthia Designs Inc. v. Robert Zentall, Inc.*, 416 F. Supp. 510, 513 (S.D. N.Y. 1976). Furthermore, a proper analysis of a work's status under the 1909 Copyright Act must involve more than a reading of the notice on the work, see United States Copyright Office, Library of Congress, Circular No. 22 (1973).[8] Thus, any deterrent effect of a

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[8] Circular No. 22, entitled "How to Investigate the Copyright Status of a Work," states:

> "There are three ways to go about finding out whether a work is copyrighted and, if so, the facts of the copyright:
>
> Examine a copy of the work;
>
> Make a search of the Copyright Office catalogs and other records yourself;
>
> Have the Copyright Office make a search for you.
>
> None of these methods is completely conclusive. This circular is intended to offer some practical guidance on what to look for in making a copyright investigation, but there are a number of exceptions to the general principles outlined here. In many cases it is important to consult a copyright attorney before reaching any conclusions as to the copyright status of a work."

copyright notice would be speculative and unwarranted, and would not qualify as an "actual benefit" for purposes of a statutory estoppel analysis.

We conclude that the second element of the statutory estoppel analysis is not present in the facts stated in the certified question. The act of publishing a work with a copyright notice affixed does not, in itself, confer an actual benefit on the copyright owner. Therefore, statutory estoppel is not applicable to the facts stated in the certified question[9].

Appellants also suggest a different form of estoppel based on the argument that by placing a copyright notice on a work, the owner represents to the public that the work has been generally published and is, therefore, not secret. Thus, appellants argue, if the work has not been generally published the copyright notice is misleading and those who detrimentally rely on it should be entitled to the equitable remedy of estoppel. This argument is without merit. The copyright notice is intended to inform the public that copyright is claimed and to indicate the owner and the duration of the copyright term, see *Goodis; Shapiro, Bernstein; Cynthia Designs, supra.* As discussed *supra*, an antedated notice will cause the copyright term to be computed from the date stated therein. Thus, for the purposes intended, an antedated notice is entirely accurate. Reliance on the notice for a collateral determination, i.e. whether the information contained therein can qualify for trade secret protection, is not explicitly authorized by the 1909 Copyright Act and should not be judicially authorized by the application of an estoppel in this situation.

Finally, appellants rely on *Larrowe-Loisette v. O'Loughlin*, 88 F. 896 (S.D. N.Y. 1898) for the proposition that an estoppel should be applied in this case. In

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[9] Since we determine that the second element is not present in the instant case and further, that it is not imminent, see fn. 7, *supra*, we do not address the third element of statutory estoppel in the context of this case.

Larrowe an author's widow sought to enjoin the defendants from selling a set of books they had allegedly copied in violation of the author's United States copyright. The case was submitted to the court on stipulated facts. In 1883, the author had registered the work, a set of books on memory and attention, for copyright in England and printed and distributed three editions of it. He sold the books to anyone willing to take his course of instruction and he required the students to sign a contract which stated, in part: "I do hereby promise that I will not communicate to any person whatsoever any idea or part of [Loisette's] system of memory, without his previous consent therefor in writing . . ." In 1886, Loisette printed a fourth edition and attempted to obtain a United States copyright for it. However, Loisette's agent (apparently no pupil of his principal) neglected to transmit copies of the work to the Library of Congress as required by the Copyright Act then in force. Loisette learned of the omission but continued to disseminate the books, some editions with both English and American copyright notices, some with only one, and some without any notice. Eventually, an edition was issued that was copyrighted in accordance with the statutory formalities. The issue before the court was the validity of the United States copyright. Analyzing the dissemination of the work by the author prior to the first attempt to obtain a United States copyright, the court stated:

> "The books were sold absolutely: no restriction being placed upon the title or upon their use other than the contract not to communicate to any person any idea or part of Loisette's system of memory. I think this distribution amounted to publication . . . In most, if not quite, all cases in which a distribution has been held not to be a publication, the author did not part with the title to the books distributed . . . This book was exposed for sale so that the public without discrimination as to persons, might have an opportunity to enjoy it . . ." 88 F. at 898

The court noted that to permit the author to obtain a copyright after years of such distribution would be, in essence, to enlarge the period of copyright protection beyond that permitted by the Act then in force. The court then concluded that "there was a publication in the instant case, and the copyright is void,"[10] 88 F. at 899.

After reaching the above conclusion, the court stated the language on which the appellants in the instant case rely:

> "Furthermore, the notice in the edition of 1886, that it was copyrighted in England, was equivalent to a notice that it had been published therein, and I think that the notice of a United States copyright, known by Loisette to be untrue, estops his representatives from denying that it was published here." 88 F. at 899

It is apparent from the context of the case and the structure of the opinion that this language was merely dictum. The court had already analyzed the factual issue of publication, determined that it had occurred, and concluded that the copyright was void. Therefore, even if the court believed that estoppel was appropriate, it did not, in fact, apply it. Furthermore, there is no discussion of the rationale underlying the estoppel, and it is clear that the facts of the case do not satisfy the elements of the statutory estoppel doctrine discussed *supra*.

The equitable considerations of the instant case are also quite different from *Larrowe*. In *Larrowe*, the author had utilized the copyright notice even when he knew the work did not qualify for protection (due to lack

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[10] At the time of this opinion, the nomenclature of "limited publication" and "general publication" had not been developed. The term "publication" was used to designate acts which divested common law copyright protection (and, assuming compliance with statutory formalities, invested statutory copyright protection) and thus was the equivalent of a general publication.

of compliance with statutory formalities) and, additionally, had sought to extend the copyright term by a belated application for copyright. In the instant case there is no showing of wrongful conduct or motive on the part of the plaintiff. It distributed the System Reference Manual to its customers and, although it intended only a limited publication, under the 1909 Act intent is not a controlling factor in determining the nature of a publication, see *Data Cash*, 628 F.2d at 1043. The distinction between a limited publication and a general publication is a difficult line to draw[11] and the consequences of a misapprehension can be devastating, as exemplified by the result in the *Data Cash* case, *supra*. As discussed previously, the copyright notice was entirely accurate for the purpose it was intended to serve and the only harm alleged from its use was the result of appellants' unauthorized reliance upon it for a collateral determination. We therefore do not find any equitable basis for applying the extreme sanction of estoppel to prevent the plaintiff from seeking to protect certain contents of the manual as trade secrets.

We also note the argument of the *amicus curiae*, Arthur Young & Company, that the Supremacy Clause of the Constitution operates to accord exclusivity to an author's invocation of a Federal mechanism of intellec-

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[11] The limited/general publication dichotomy is a judicial creation requiring an analysis of many factual elements, see 1 *Nimmer on Copyright* §4.13 (1981). Additionally, there is a lack of unanimity among the courts as to the proper standard, *Compare White supra*, with *Zachary v. Western Publishing Co.*, 75 Cal. App. 3d 911, 143 Cal. Rptr. 34 (1977). The most authoritative treatise on copyright provides the following guidance:

> "Apart from possible conflicts, the pre-1978 case law definition of publication contains some explicit nuances which although not expressly mentioned in the statutory definition, are probably implied, 1 *Nimmer on Copyright* §4.04 (1981)."

While we offer no elucidation of this statement, we do not encourage court or counsel to labor over it.

tual property protection, i.e. statutory copyright, when such an election conflicts with a state scheme of intellectual property protection, i.e. trade secret law. However, we do not perceive an inherent conflict between the Federal Copyright Act and state trade secret law. The Copyright Act is designed to protect the form of a work while trade secret law applies to the contents or ideas in a work. While judicial enforcement of both forms of legal protection could present a conflict, the certified question before us deals only with the assertion of rights under both schemes, see *Management Science* 6 CLSR 921 at 926. There is nothing improper in the assertion of alternative theories of legal rights, e.g. Fed. Rule of Civil Proc. 8(e)(2), and, therefore, we find no conflict at this time which would warrant invocation of the Supremacy Clause.

Accordingly, we conclude that acts of (1) affixing to certain documents a statutory notice of copyright including the prescribed year date of first publication, pursuant to the 1909 Copyright Act and the Universal Copyright Convention, and (2) publishing the documents, do not estop the party who affixed the notice and published the documents from subsequently asserting that such documents have not been generally published, but instead contain subject matter which is "trade secret."

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit

Opinion by Judge Campbell

JUDGMENT — ORAL ARGUMENT

UNITED STATES COURT OF APPEALS

For the Seventh Circuit

Chicago, Illinois 60604

August 30, 1982

Before

Hon. Wilbur F. Pell, Circuit Judge
Hon. Richard D. Cudahy, Circuit Judge
Hon. William J. Campbell, Senior District Judge*

No. 81-1469

TECHNICON MEDICAL INFORMATION SYSTEMS CORPORATION,

Plaintiff-Appellee,

vs.

GREEN BAY PACKAGING INC., ST. VINCENT HOSPITAL, and LEO N. CROWLEY,

Defendants-Appellants.

Appeal from the United States District Court for the Eastern District of Wisconsin

No. 78-C-363

Judge Terence T. Evans

This cause was heard on the record from the United States District Court for the Eastern District of Wisconsin, and was argued by counsel.

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* Senior District Judge William J. Campbell of the Northern District of Illinois, is sitting by designation.

On consideration whereof, IT IS ORDERED AND ADJUDGED by this Court that the certified question is answered in the following manner:

> The acts of (1) affixing to certain documents a statutory notice of copyright including the prescribed year date of first publication, pursuant to the 1909 Copyright Act and the Universal Copyright Convention, and (2) publishing the documents, do not estop the party who affixed the notice and published the documents from subsequently asserting that such documents have not been generally published, but instead contain subject matter which is "trade secret."

IT IS FURTHER ORDERED that costs on appeal are to be assessed against defendants-appellants.

UNITED STATES COURT OF APPEALS

For the Seventh Circuit

Chicago, Illinois 60604

March 6, 1981

Before

Hon. THOMAS E. FAIRCHILD, Chief Judge
Hon. LUTHER M. SWYGERT, Circuit Judge
Hon. WALTER J. CUMMINGS, Circuit Judge

GREEN BAY PACKAGING INC., ST. VINCENT HOSPITAL and LEO N. CROWLEY,

Petitioners,

vs.

TECHNICON METAL [sic] INFORMATION SYSTEMS CORP.,

Respondent.

Petition for Permission to Appeal Per 28 U.S.C. 1292(b)

Misc. No. 81-8004

This matter comes before the court for its consideration on the following documents:

1. The "PETITION FOR PERMISSION TO APPEAL" filed herein on February 5, 1981 by counsel for the petitioners.

2. The "ANSWER IN OPPOSITION TO PETITION FOR PERMISSION TO APPEAL" filed herein on February 17, 1981 by counsel for the respondent.

3. The "MOTION FOR LEAVE TO FILE AMICUS CURIAE BRIEF IN SUPPORT OF PETITION FOR PERMISSION TO APPEAL" filed herein on February 23, 1981 by Arthur Young & Company.

4. The "RESPONSE TO MOTION FOR LEAVE TO FILE AMICUS CURIAE BRIEF IN SUPPORT OF PETITION FOR PERMISSION TO APPEAL" filed herein on March 2, 1981 by counsel for the respondent.

On consideration thereof,

IT IS ORDERED that the motion of Arthur Young & Company for leave to file an amicus curiae brief in support of the petition for leave to appeal is hereby GRANTED, and the clerk of the court is directed to file, nunc pro tunc as of February 23, 1981, the brief of Arthur Young & Company.

IT IS FURTHER ORDERED that the petition for permission to appeal under 28 U.S.C. §1292(b) is hereby GRANTED.

IT IS ALSO FURTHER ORDERED that the clerk of the district court certify and transmit the record in this appeal to this court on or before March 20, 1981.

Counsel for the petitioners is directed to pay the $65.00 docket fee for this appeal to the clerk of the district court on or before March 20, 1981.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

Civil Action
No. 78-C-363

TECHNICON MEDICAL INFORMATION SYSTEMS CORP.,

Plaintiff,

v.

GREEN BAY PACKAGING INC., ST VINCENT HOSPITAL, and LEO N. CROWLEY,

Defendants.

(Filed January 26, 1981)

DECISION and ORDER

The defendants have moved for an order, pursuant to 28 U.S.C. § 1292, certifying the following question for appeal:

> "Whether the acts of (1) affixing to certain documents a statutory notice of copyright including the prescribed year date of first publication, pursuant to the 1909 Copyright Act and the Universal Copyright Convention, and (2) publishing the documents, estop the party who affixed the notice and published the documents from subsequently inconsistently asserting that such documents have not been generally published as represented by the copyright notice, but instead contain subject matter which is 'trade secret.'"

The defendants claim that this court's September 9, 1980 decision declared the question one of first impression. They believe that an immediate appeal from that decision would "materially advance the ultimate termination of the litigation" in that an affirmative answer

would dispose of the issues raised by the complaint. Defendants stated that they did not intend to file a brief supporting their motion, but instead "reserved" their right to file a reply brief within 10 days of the plaintiff's response.

Plaintiff Technicon Medical Information Systems Corporation (TMIS) counters that the motion apparently should be denied because the defendants have not filed a proper motion in compliance with Rule 6 of the Local Rules of Practice. The rule provides that:

> "Every motion filed shall set forth the rule pursuant to which the motion is made and shall be accompanied by (1) affidavit(s) or excerpts of depositions when necessary and a supporting brief setting forth the specific points or propositions of law upon which the movant relies with the authorities in support thereof or (2) a certificate of counsel stating that he does not intend to file such affidavits or supporting brief.
>
> "If movant fails to comply with either (1) or (2) above the court reserves the right to deny the motion as a matter of course."

Defendants' statement as to their intentions about submitting a brief complies with Rule 6.01(2). Their motion will not be denied for noncompliance with the Rule.

Of greater weight is TMIS' contention that the defendants have not met the requirements of § 1292(b). For a question to be certified for appeal, it must involve

(1) a question of law
(2) which is "controlling"
(3) on which there is "substantial ground for difference of opinion."

The final requirement is that an immediate appeal must "materially advance the ultimate termination of the litigation." Sheppard, MANUAL OF FEDERAL PRACTICE § 8.77 (2d ed.)

In my September 9, 1980 decision, I stated that I was "not willing to conclude that, as a matter of law, the mere act of affixing a copyright notice to the Manuals voids any claim of secrecy under Wisconsin Trade Secret law." In that decision, I denied defendants' motion for summary judgment on six of the seven counts of TMIS' complaint, and found that "a genuine issue of fact exists as to whether or not the matters sought to be protected remain secret. . . ." Thus, TMIS argues the question to be certified is one of fact, not law.

The defendants reply that no question of fact is involved in resolving the question for certification: "That the placement of statutory notice of copyright on manuals also may be probative, as a matter of fact, of an intent to generally publish the manuals' contents, or create a presumption thereof, does not change the nature of the question of law presented for certification." The defendants' point is well taken. In the first order, I decided whether summary judgment was appropriate. Because I determined that a "genuine issue of fact" was present, I declined to grant summary judgment. To say that an issue of fact exists, however, is not to say that there is no issue of law. In *Inter-American Foods, Inc.* v. *Coordinated Caribbean Transport, Inc.*, 313 F. Supp. 1334 (D.C. Fla. 1970), whether a loaded trailer or each cardboard carton of frozen shrimp placed on a freezer trailer constituted a "package" for purposes of the Carriage of Goods by Sea Act, 46 U.S.C. § 1300 *et seq.*, was held to be a "controlling question of law as to which there was substantial ground for difference of opinion" within § 1292(b). Similarly, this case presents a legal question distinct from the facts upon which it depends.

However, TMIS urges that the question, if certified, would still not be "controlling." Its complaint is said to allege "causes of action for breach of contract, interference with contract relations, unfair competition, violation of the *Lanham Act*, [and] unjust enrichment, as well as violation of trade secret rights." However, the

September 9, 1980 decision described TMIS' complaint as one which "alleges six counts relating to trade secret misappropriation." The question to be certified would thus be controlling.

TMIS contends that the question offers no substantial ground for difference of opinion, because no case law exists which holds that affixing a copyright notice destroys the owner's claim of secrecy. As the defendants note, however, "Matters of first impression by their very nature are controversial." If substantial ground for difference of opinion did not exist, I would not have needed nearly eight pages of my September 9, 1980 decision to consider the question.

Finally, TMIS argues that certifying the question for appeal would result in "piecemeal litigation," and not materially advance the ultimate termination of this action. I disagree.

Therefore, IT IS ORDERED that the defendants' motion for certification of its question for appeal be granted, except that the word "inconsistently" shall be stricken on my own motion as unnecessary and unduly argumentative.

Dated at Milwaukee, Wisconsin, this 26th day of January, 1981.

BY THE COURT:

/s/ Terence T. Evans

Terence T. Evans
U. S. District Judge

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

Civil Action
No. 78-C-363

TECHNICON MEDICAL INFORMATION SYSTEMS CORP.,

Plaintiff,

v.

GREEN BAY PACKAGING, INC., ST. VINCENT HOSPITAL, and LEO V. CROWLEY,

Defendants.

DECISION AND ORDER

This action raises the interesting, and largely unlitigated, question of whether the act of affixing a statutory notice of copyright to certain documents, pursuant to the 1909 Copyright Act, bars common law copyright and trade secret claims arising from another's unauthorized use of those documents. Since this issue involves application of the 1909 law, which has been substantially revised by the 1976 Copyright Act (effective January 1, 1978), this is a question of first — and probably last — impression in this court.

The controversy centers on the alleged misuse of plaintiff's computer "software" by the defendant, Green Bay Packaging, Inc. (GBP), which had provided necessary computer "hardware" to allow the plaintiff to deliver its computerized business office services to the defendant St. Vincent Hospital. The complaint alleges six counts relating to trade secret misappropriation and one count of common law copyright infringement. Jurisdiction is based

upon diversity of citizenship as to six counts. The remaining unfair competition count is brought under the Lanham Act.

Plaintiff Technicon Medical Information Systems Corp. (TMIS) succeeded Lockheed Missiles and Space Company, which had originated much of the software used by TMIS to provide the office services for its customers. These office services included such functions as patient-billing, payrolls, inventory, accounts, and general ledger. From July 1, 1970 to July, 1977, GBP was under contract initially with Lockheed, and ultimately with TMIS, to provide data processing services for the hospital customers of TMIS. It is alleged that GBP agreed to treat the information disclosed by the plaintiff for processing in the GBP computers as confidential and as trade secrets of the plaintiff.

During the same period of time, defendant St. Vincent Hospital was a customer of the plaintiff. In connection with the performance of the computerized office services by plaintiff, TMIS provided System Reference Manuals to enable the hospital to properly use the system.

In early 1975, TMIS was providing these office services for the defendant St. Vincent and for Sacred Heart Hospitals. This involved use of the GBP hardware; TMIS having provided the necessary software in machine language form. GBP was purposely not given System Reference Manuals. In such a way, the plaintiff alleges, GBP was prevented from ascertaining the design of the TMIS system. GBP contends that, in fact, a copy of such a Manual had been provided to it by TMIS.

It had been the objective of TMIS to obtain three other Green Bay area hospitals as customers for its services, utilizing the GBP hardware. In addition to St. Vincent and Sacred Heart Hospitals, TMIS contemplated contracting with St. Mary, St. Nicholas, and St. Joseph Hospitals. In early 1975, however, these five hospitals formed the Wisconsin Hospital Administrator's Team to

coordinate operations and generally pool knowledge for mutual use. As alleged in the complaint, a series of meetings took place in early 1975 between the Team and GBP. On February 19, 1975, GBP proposed a plan to provide data processing services to the group. These services allegedly would be the same as those provided by TMIS, but at a price 30% less than that charged to St. Vincent and Sacred Heart Hospitals by TMIS. Letters of intent authorizing GBP to begin development of the alternate system were signed by the five hospital Administrators around January 7, 1976. Each hospital pledged $28,000 to defray the development costs. On February 1, 1976, St. Vincent Hospital entered into another one-year contract for the TMIS system. It is alleged that during the spring of 1976, St. Vincent personnel provided the TMIS System Reference Manuals to GBP. As stated above, this Manual had allegedly been purposely withheld from GBP by TMIS. St. Vincent also provided typewritten sheets which contained the coding for the TMIS system. This coding was developed by TMIS and disclosed to St. Vincent in the System Reference Manual. Eventually, all five hospitals had arranged with GBP to receive data processing services.

The System Reference Manuals which had been provided to St. Vincent Hospital contained the following admonition:

> "The information and designs disclosed herein, except as to vendor proprietary parts, are proprietary to Technicon Medical Information Systems Corp., and shall not be duplicated, used or disclosed, in whole or in part, except with the expressed permission of the owner."

On the same page was printed a statutory notice of copyright as prescribed under the 1909 Act. 17 U.S.C. §§ 10, 19 (1976). Each notice of copyright contained the internationally-recognized encircled letter "C", followed

by the name "Technicon Medical Information Systems Corp.", followed by a purported year-date of publication.

It is the contention of the defendants that this act of including the copyright notice estops the plaintiff from proceeding under a common law copyright claim — and operates as a general publication sufficient to defeat, as a matter of law, any claim of secrecy in support of the trade secret claims.

Under the new copyright law, effective January 1, 1978, there could be no common law copyright claim because that Act preempts State copyright law in its entirety. All published or unpublished copyrightable material is protected by statute from the moment of creation, and a suit for statutory copyright infringement is the only available remedy. 17 U.S.C. § 301(a).

However, under the old law, only a limited number of unpublished materials were protected by statutory copyright. The author was left to rely on common law copyright only. If what has come to be known as a "general" publication had occurred, common law copyright was lost, and the material was considered dedicated to the public domain. Only by publishing the materials with the prescribed copyright notice could one's works be protected under the 1909 Act. See, *Bell* v. *Combined Registry Company*, 397 F. Supp. 1241 (N.D. Ill. 1975), *aff'd.* 536 F.2d 164, *cert. den.* 429 U.S. 1001 (1976). If a "general" publication occurred *before* a statutory notice of copyright was affixed to any published document, then both the common law and statutory copyrights would be lost. Only by publication with the prescribed notice could one protect statutory rights. However, by so doing, the individual would also be relinquishing his common law copyright. *Dave Grossman Designs, Inc.* v. *Bortin*, 347 F. Supp. 1150 (N.D. Ill. 1972); *National Comics Publications* v. *Fawcett Publications*, 91 F.2d 594 (2 Cir. 1951); *Letter Edged in Black Press, Inc.* v. *Public Building Commission of Chicago*, 320 F. Supp. 1303 (N.D. Ill. 1970).

There are two dimensions to the issue of whether or not publication has occurred. See, for example, *Zachary* v. *Western Publishing Company, Inc.*, 196 U.S.P.Q. 690, 697-8 (Cal. App. 1977). Whether a "general" or "limited" publication has occurred is a matter largely determined by the result of the publication; i.e., whether it serves to divest common law rights, or invest statutory rights.

A general publication extinguishes the common law copyright; a limited publication does not. See, *American Tobacco Company* v. *Wreckmeister*, 207 U.S. 284 (1907); *White* v. *Kimmel*, 193 F.2d 744 (9 Cir. 1951), *cert. den.*, 343 U.S. 957 (1952); also see, *Burke* v. *National Broadcasting Company, Inc.*, 598 F.2d 688, 691 (1 Cir. 1979).

A more stringent standard for determining whether publication occurred is used by the court when that publication would result in the divesting of common law copyright. A less stringent standard is used when the publication would result in the investing of statutory copyright. *Hirshon* v. *United Artists Corp.*, 243 F.2d 640, 644-5 (D.C. App. 1957); *American Visuals Corp.* v. *Holland*, 239 F.2d 740, 744 (2 Cir. 1956); see, *Burke* v. *National Broadcasting Company, Inc., supra.* These varying standards are used to avoid invalidation of copyrights and encourage validation thereof; in short, to prevent piracy. *Hirshon, supra; American Visuals Corp., supra; Zachary, supra,* at 698.

In this case, the plaintiff contends that the restrictive language on the System Reference Manuals renders the publication a "limited" one. It does not, therefore, result in forfeiture of its common law copyright protection or relinquishment of trade secrets. By so arguing, the plaintiff has placed heavy emphasis on the divesting of its common law copyright. The court believes that the emphasis should instead be placed on the investing of statutory copyright protection. By means of the internationally recognized copyright symbol, the plaintiff notified the

general public that the documents produced had been "published" in the year-date set forth in each notice.

The principal purpose of copyright notice is to inform the public that copyright is claimed. *Goodis* v. *United Artists Television, Inc.*, 425 F.2d 397, 403 (2 Cir. 1970).

> "The purpose of a copyright notice is to 'advise the public of the claim . . . and to prevent innocent persons, unware of the copyright, from incurring infringement penalties'." *Cynthia Designs, Inc.* v. *Robert Zentall, Inc.*, 416 F. Supp. 510, 513 (S.D. N.Y. 1976).

The plaintiff has effectively notified the public that it has invoked the protection of the U. S. copyright laws for the statutory period commencing from the year-date in the notice; and that any unauthorized appropriation of this material would be prosecuted as an infringement of statutory copyright. By invoking the statutory copyright laws to the extent of even printing a date of publication, the plaintiff has opted to forego his perpetual common law copyright in exchange for the limited but more definite statutory copyright. Although the plaintiff has relinquished its common law protection, its materials will not be subject to piracy because it is now protected by the statute and can sue any "pirate" for infringement upon perfection of its statutory rights.

The court is aware of the harsh reality under the old law that a general publication without notice of copyright would result in waiver of both the common law and statutory protection. The precautionary measure of printing the copyright notice when there is doubt as to whether the distribution of the materials will amount to a limited or general publication, certainly cannot be criticized. See, for example, *Goodis, supra.* However, the court believes that in exchange for the increased security, the plaintiff has elected the statutory remedy over the common law remedy by distributing its materials with the statutory notice. There is no dispute here that there was at least

a "limited" publication of these materials at the time the copyright notice was affixed to them. The court concludes that once there was publication with statutory notice to any degree, the documents were at least potentially protected by the federal statute and the plaintiff was estopped from further asserting any common law copyright protection. To rule otherwise would effectively render the printed notices of copyright meaningless. The court believes that, in keeping with the purpose of the statute, the public should be entitled to assume that the notice is valid, and that the materials will enter into the public domain 28 years from the date in the notice, unless renewed for another 28-year period. The plaintiff cannot have it both ways; the 28-year monopoly and protection from infringement enforceable in Federal court under the statute, and the perpetual protection from infringement, enforceable in state court under common law copyright. Therefore, the common law copyright claim will be dismissed.

Although the court holds that TMIS has elected the statutory copyright remedy, it does not necessarily follow that this present or potential federal law protection operates as a waiver of protections accorded by state Trade Secrets law.

General publication of a trade secret will destroy the trade secret. *Abbott Laboratories* v. *Norse Chemical Corp.*, 33 Wis. 2d 445, 457 (1967).

> "The subject of a trade secret must be secret, and must not be of public knowledge or of a general knowledge in the trade or business." *Kewaunee Oil Company* v. *Bicron Corp.*, 416 U.S. 470, 475 (1974); *Management Science America, Inc.* v. *Cyborg Systems, Inc.*, Case No. 76-C-2149 (N.D. Ill. 6/8/78).

The court is not willing to conclude that, as a matter of law, the mere act of affixing a copyright notice to the Manuals voids any claim of secrecy under Wisconsin Trade Secret law. *Management Science America, supra.*

The briefs and affidavits submitted by counsel indicate that TMIS has not yet perfected its statutory copyright with the Copyright Office. There is substantial proof to support the contention that the distribution of these Manuals amounted only to a "limited" publication. This, along with the clear restrictive language in each Manual, evidences an attempt to safeguard these materials as trade secrets, at least for the time being. In short, a genuine issue of fact exists as to whether or not the matters sought to be protected by TMIS remain secret, or were in fact published by means of the distribution which took place and the affixation of statutory notice of copyright. The statutory copyright notice may be probative of an intent to generally publish, but the court is not willing to conclude, at the summary judgment stage, that it is conclusive proof of publication so as to defeat any claim of secrecy. See, *Management Science America, supra.* The collateral effect, in a subsequent copyright infringement action, of a finding by the trier of fact in this case that there was no general publication to defeat a trade secrets claim, is a matter best left for another day and another court. Therefore defendants' motion for summary judgment as to the trade secret claims will be denied.

SEVERANCE MOTIONS

There are currently pending two motions for severance; (1) plaintiff's motion for separate trial and stay of discovery on the antitrust counterclaims of GBP, and, (2) defendant's motion for a separate trial and stay of discovery on the issues of damages as to all claims.

The defendant GBP has counterclaimed, alleging that TMIS has violated Federal and State of Wisconsin antitrust laws by means of various practices associated with the provision of its office services. Much of what is alleged in the counterclaims arises from the various trade secret allegations in the TMIS complaint; i.e., whether many of the plaintiff's practices in regard to the dissemination and use of its alleged trade secrets amounted

to a combination or conspiracy in restraint of trade under the Sherman Act and the Wisconsin Antitrust statute.

The court has reviewed the materials submitted as to both motions. There remain in this action one federal (Lanham Act) claim and five state claims relating to the alleged misappropriation of the TMIS trade secrets; and the two antitrust counterclaims arising from various restrictions imposed by TMIS on the use of its allegedly secret information. These liability and damage questions substantially overlap. A strong argument can be made that they be tried together for the convenience of parties and witnesses.

However, a stronger argument exists to require severance to some degree under F.R.C.P. 42(b). Experience teaches that a relatively unsophisticated jury forced to endure this type of lengthy litigation has a difficult time trying to separate wheat from chaff. The jury's critical function—the application of common sense to the law and the facts before it—often falls victim to confusion. Therefore, there will be separate phases of this trial on the liability issue as to the trade secret claims in the TMIS complaint; the liability issue as to the GBP counterclaims for State and Federal antitrust violations; and on the issue of damages for whatever liability is found in either or both of the first two phases.

Although there will be separate phases, there will be but a brief hiatus between the trade secret phase and the antitrust and damages phases. The trial on the antitrust counterclaims will commence approximately 60 days after completion of the trade secret liability phase. The issue of damages on findings of liability in either or both of the first two phases will commence immediately after completion of the antitrust phase. If the antitrust phase is not necessary, damages will be determined soon after the trade secret phase is completed.

It appears that the discovery to date, and the contemplated discovery, has been directed to all liability

and damage questions which could conceivably be tried in any of the three phases. The court does not, therefore, see any substantial need to stay discovery on any of the issues.

DISCOVERY MATTERS

The file in this action is littered with discovery disputes that have been repeatedly placed in the lap of the court over the two-year history of this action.

There is pending (1) plaintiff's F.R.C.P. 26(c) motion for protective order, (2) defendant's F.R.C.P. 37 (b) motion to dismiss, and (3) defendant's motion to compel plaintiff to comply with protective order.

The court is greatly concerned by the conduct revealed in the first two motions. These motions are related and center on the sufficiency of the plaintiff's responses to defendant's First Set of Interrogatories served July 5, 1978. In particular, the dispute focuses on the sufficiency of the plaintiff's response to Interrogatory #1(h), requesting that the plaintiff state precisely how each of the alleged trade secrets differs from information and techniques generally known or used in the trade. Several court orders and conferences have failed to impress upon counsel for both sides that they are to make reasonable and good faith efforts to resolve this dispute once and for all. The unreasonable bad faith conduct is clearly evidenced by the answers to Interrogatory #1(h) which have been provided by plaintiff, and the conduct of counsel resulting in the last-minute cancellation of the July 25, 1979 depositions of Mr. David Wylie and Mr. Wayne Freeberg.

Mr. Freeberg had flown to Santa Clara, California from New York specifically to be deposed. Shortly after his arrival, he was informed by counsel that the depositions had been cancelled. The cancellation resulted when defense counsel refused to proceed with depositions because of their dissatisfaction over the most recent re-

sponses of the plaintiff to Interrogatory #1(h). Mr. Freeberg incurred expenses for air travel, hotel, and meals, as well as an estimated loss of 10 hours of business time. He seeks $935 in compensation. Mr. Wylie simply seeks certain restraints on any future discovery to be taken of him.

In its last attempt to adequately answer Interrogatory #1(h), the court directs plaintiff's counsel to the controlling law in this case, as set out by the Wisconsin Supreme Court in *Abbott Laboratories, supra* at 456-7 and 463-4; *Restatement, 4 Torts,* p. 5, § 757b. If the court is convinced from proof submitted at trial that plaintiff's response to Interrogatory #1(h) pursuant to today's order is still inadequate, appropriate sanctions will be considered at that time. Basically, as to those trade secrets which TMIS will attempt to prove at trial were violated, plaintiff must answer specifically why this material is claimed to be "secret" in this particular industry. Much more than the basically conclusory response to 1(h) now on record will be expected.

The court finds counsel for both sides to be equally at fault for the inconvenience and expense incurred by the deponents Wylie and Freeberg. Mr. Freeberg will be reimbursed for his losses of $935. Although not specifically requested, the court will also order an award of $200 to Mr. Wylie for his inconvenience in setting aside a day for attending the abortive deposition. Since reasonableness and good faith appear to have been absent on both sides of the fence, counsel for both plaintiff and defendant will be responsible for payment to Messrs. Wylie and Freeberg. Since local counsel did not appear to play a substantial part in the conduct of these particular depositions, they will not be held responsible. Only those counsel, and their firms, directly involved in the taking of these July 25, 1979 depositions of Wylie and Freeberg will be required to pay. Counsel for the defense and for plaintiff, therefore, are equally responsible for payment of a total sum of $1,135.00 to Messrs. Wylie and Freeberg as pro-

vided above. Payment shall be made within 20 days of the date of this order. Further, in line with the request of Mr. Wylie, he shall, in the future, be given 30 days advance notice of the date and time of any deposition to be taken of him, and he will not be required to travel more than 150 miles from Santa Clara, California.

Finally, the defendants have moved to compel plaintiff to comply with a stipulated protective order entered September 20, 1978. The problem arises from the defense attempt to disclose confidential information to its expert witness, one Howard E. Abrahamson.

The protective order authorizes the disclosure of this information to Mr. Abrahamson, since he has been designated an "expert" pursuant to ¶3(b) of the order. The plaintiff objects to such disclosure on the ground that Mr. Abrahamson is actively involved in the management of developmental activities at Fairfield Community Hospital in Minneapolis, Minnesota. In that capacity, he is involved in the developing and marketing of systems competitive to the TMIS system. The plaintiff considers Abrahamson to be a "third party competitor" of TMIS.

The court appreciates the concern of TMIS that important secret information might be released to a competitor. However, Mr. Abrahamson has agreed to be bound by the terms of the protective order before receiving any confidential information. The court will not assume that he will breach his agreement and misuse the information. In addition, Mr. Abrahamson appears to be a witness of substantial importance to defendants in presenting their case. Therefore, defense counsel will be allowed to disclose the confidential information to Mr. Abrahamson.

Resort to this court for resolution of any further discovery disagreements will only be permitted upon certification of counsel that a good faith effort to resolve the dispute informally has been made. If such a

certification is made, counsel must then identify the positions of the parties so that the court, in resolving the dispute, can determine who is being unreasonable, and thereby assess appropriate sanctions against the party whom the court deems to be most at fault.

Therefore, IT IS ORDERED THAT:

The motion of defendants for summary judgment is granted as to Count VII, the common law copyright claim. As to the remaining Counts, the motion for summary judgment is denied.

The motions for separate trials on the antitrust counterclaims and on the issue of damages are granted in the manner provided above. The request for a stay of discovery on these issues is denied.

The motion of defendants to dismiss pursuant to Rule 37(b) is denied.

The motion of plaintiff for a protective order pursuant to Rule 26(c) is granted in the manner provided above.

The motion of defendants to compel plaintiff to comply with the protective order is granted.

As to any future discovery disputes, counsel are to comply with the certification process provided above.

Dated at Milwaukee, Wisconsin, this 9th day of September, 1980.

BY THE COURT:

/s/ Terence T. Evans

Terence T. Evans
United States District Judge

Office - Supreme Court, U.S.
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ALEXANDER L. STEVAS,
CLERK

No. 82-775

IN THE

Supreme Court of the United States

OCTOBER TERM, 1982

GREEN BAY PACKAGING INC., ST. VINCENT HOSPITAL, and LEO N. CROWLEY,
Petitioners,

v.

TECHNICON MEDICAL INFORMATION SYSTEMS CORP.,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

PRELIMINARY STATEMENT

Respondent, Technicon Medical Information Systems Corp. ("TMIS") does not take issue with sections entitled "Questions Presented," "Parties to the Proceeding Below," "Opinions Below," "Jurisdiction," and "Statutory Provisions Involved" of the Petition for Writ of Certiorari filed on behalf of petitioner. However, as explained below, respondent disputes that the Universal Copyright Convention is properly involved in this appeal/petition and that this is a proper case for review by this Court.

STATEMENT OF THE CASE

I.

INTRODUCTORY STATEMENT

Petitioners ask this Court to consider and resolve what is at most a semantics question involving a superseded law. Petitioners assert here, and have asserted below, that the term "publication" as used in the statutory copyright context of the 1909 Copyright Act and Uniform Copyright Convention should be binding in interpreting the State of Wisconsin's trade secret law. Petitioners fail, however, to articulate any rational theory or nexus between the old copyright law and the Uniform Copyright Convention, on the one hand, and State of Wisconsin trade secret law, on the other, to justify what is in essence preemption of state trade secret laws by a federal statute which has been superseded.

The petition does not adequately support any of the suggested criteria for Certiorari enumerated in Rule 17 of the Rules of the Supreme Court of the United States. Moreover, the question presented has limited prospective interest since the 1976 Copyright Act, effective January 1, 1978, supersedes the 1909 Copyright Act and provides a procedure for protecting unpublished works under the copyright law.

II.

FACTUAL BACKGROUND

TMIS is a leader in the field of computer processing of hospital, medical and financial information. TMIS is a wholly-owned subsidiary of Technicon Instruments Corporation which is a wholly-owned subsidiary of Technicon Corporation, which was recently acquired and is now a wholly-owned subsidiary of Revlon, Inc.

Green Bay Packaging, Inc. ("Green Bay") is a large privately-owned corporation having its principal office and some facilities in Green Bay, Wisconsin. Green Bay Packaging Inc., as its name implies, engages principally in the business of the manufacture and sale of corrugated paperboard containers.

St. Vincent Hospital ("St. Vincent") is one of five Wisconsin hospitals of the Hospital Sisters of the Third Order of St. Francis and is located in Green Bay, Wisconsin.

Defendant Leo N. Crowley is the Executive Vice President of Green Bay and has primary responsibility for Green Bay's data processing operations.

TMIS provides data processing services to hospitals by using TMIS computer equipment and sometimes by using computer equipment owned and operated by a "service bureau." Essentially, TMIS provides computer programs ("software") to the service bureau and know-how to the hospital and the service bureau to allow the service bureau's machines to process financial and other business information of the hospital on an ongoing basis. This combination of software, know-how, and processing is called the TMIS "Business Office Service."

TMIS acquired the original software used by TMIS to provide hospital Business Office Services to its customer/licensees from Lockheed Missiles and Space Company. Over the years TMIS extensively improved and further developed the basic Lockheed system. Development costs of the TMIS Business Office Service exceed $3 million.

From July 1, 1970, to July, 1977, Green Bay was under contract initially with Lockheed, and ultimately with TMIS, to provide data processing services for the hospital customer/licensees of TMIS as a service bureau. The agreement executed between TMIS and Green Bay by defendant Crowley on behalf of Green Bay provides that Green Bay is not to use or disclose data, computer programs, techniques, methods or formulas, or ideas submitted to Green Bay by TMIS or TMIS' customers.

During the same period of time, St. Vincent was a customer/licensee of TMIS. St. Vincent's financial information was processed using TMIS' software, provided by TMIS to Green Bay, and Green Bay Computer machinery. Software provided to Green Bay by TMIS was in machine language form and thereby not readable by Green Bay unless transformed.

In order to enable St. Vincent to use the TMIS system, TMIS loaned St. Vincent the TMIS System Reference Manuals as TMIS does to all its customer/licensees. In order to enable

Green Bay to use TMIS software on its hardware and to process information from St. Vincent, TMIS loaned Green Bay a copy of the TMIS Computer Operations Production Procedure Manuals ("COPP"). Green Bay was purposely not given copies of the System Reference Manuals thereby precluding Green Bay from knowing critical aspects of the system.

The title page of the System Reference Manuals contained the legend:

> "The information and designs disclosed herein, except as to vendor proprietary parts, are proprietary to Technicon Medical Information Systems Corp., and shall not be duplicated, used or disclosed, in whole or in part, except with the expressed permission of the owner."

On the same page contiguous with the above-quoted legend appeared a statutory notice of copyright:

> "© Technicon Medical Information Systems Corp., 1974"

In early 1975, TMIS was providing its Business Office Services under license to defendant St. Vincent Hospital and Sacred Heart Hospital of Eau Claire, Wisconsin, using Green Bay hardware. It was the object of TMIS to obtain three other Wisconsin hospitals as customers for its services, utilizing Green Bay's hardware. In addition to St. Vincent and Sacred Heart Hospitals, TMIS contemplated contracting with St. Mary, St. Nicolas, and St. Joseph Hospitals. However, these five hospitals formed the Wisconsin Hospital Administrators Team to coordinate operations and generally pool knowledge for mutual use. A series of meetings took place in early 1975 between the five hospitals and Green Bay and on February 19, 1975, while Green Bay and St. Vincent were still under contract to TMIS, Green Bay proposed a plan to provide data processing services to the group. Letters of intent were signed between each of the five hospitals and Green Bay around January 7, 1976. On February 1, 1976, St. Vincent entered into a one-year continuation of its contract with TMIS to continue using TMIS software with Green Bay hardware.

During the spring of 1976, shortly after Green Bay began "developing" its "alternative system," St. Vincent provided Green Bay with a copy of the TMIS System Reference Manual

without notifying or obtaining permission from TMIS. At that time St. Vincent knew that the System Reference Manual contained the above-quoted proprietary legend. St. Vincent also provided Green Bay with typewritten sheets which contained coding used with the TMIS Business Office Service. This coding was developed by TMIS and disclosed to St. Vincent in the System Reference Manual.

All five hospitals are now receiving data processing services from Green Bay. Green Bay charged the hospitals $140,000 for development costs in comparison with approximately $3,000,000 which has been expended in developing the TMIS Business Office Service.

Including St. Vincent, TMIS System Reference Manuals have been loaned to 43 hospital customer/licensees all of which contained the proprietary legend. Additionally, TMIS loans Computer Operations Production Procedures Manuals ("COPP Manuals") to its service bureaus to assist the service bureau in using TMIS software to process TMIS customer/licensee information. COPP Manuals have been loaned to 10 service bureau/licensees. Distribution of TMIS manuals is strictly limited—a log of those holding manuals is kept and upon termination of relations the manuals are recovered by TMIS. Recovered manuals are either redistributed to other licensees or destroyed by fire or shredding. Title to TMIS manuals has never been transferred to any customer/licensee.

TMIS has never registered or attempted to register its manuals under federal Copyright Law. Neither has TMIS enforced or attempted to enforce its prospective statutory copyright rights. The Complaint alleges claims for: (1) Breach of Contract by Green Bay; (2) Breach of Contract by St. Vincent; (3) Interference with Contractual Relations; (4) Violation of Trade Secret Rights; (5) Federal Unfair Competition under the *Lanham Act;* (6) Unjust Enrichment; and (7) Violation of Common Law Copyright. The seventh count was dismissed by the District Court on motion for partial summary judgment.

REASONS FOR DENYING THE WRIT

I.

THE SUBJECT OF THE PETITION DOES NOT FALL WITHIN ANY CRITERIA JUSTIFYING GRANTING THE WRIT

Rule 17 of the Rules of the Supreme Court of the United States begins by stating generally:

> "A review on writ of certiorari is not a matter of right, but of judicial discretion, and will be granted only when there are special and important reasons therefore."

The Rule then proceeds to specify essentially three criteria which will be considered by the Court as *possible* bases for granting a petition for writ of certiorari:

> "(a) When a federal court of appeals has rendered a decision in conflict with the decision of another federal court of appeals on the same matter; or has decided a federal question in a way in conflict with a state court of last resort; or has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such a departure by a lower court, as to call for an exercise of this Court's power of supervision.
>
> "(b) When a state court of last resort has decided a federal question in a way in conflict with the decision of another state court of last resort or of a federal court of appeals.
>
> "(c) When a state court or a federal court of appeals has decided an important question of federal law which has not been, but should be, settled by this Court, or has decided a federal question in a way in conflict with applicable decisions of this Court."

Petitioners fail to specify which if any of the above-quoted considerations apply here because, as explained below, the question presented does not rise to the level of a Supreme Court issue.

A. Interpretation of a Superseded Statute is not a Proper Basis for Granting a Petition for a Writ of Certiorari.

The "Question Presented" explicitly references the 1909 Copyright Act as the United States statutory provision involved. In particular, the Petition asks this Court to determine what a particular term in that statute means and whether, based upon such meaning, respondent should be precluded[1] from asserting state trade secret rights.

The 1909 Copyright Act was superseded effective January 1, 1978, by the 1976 Copyright Act. 17 U.S.C. §104 specifically provides for copyright protection of "unpublished works," i.e., including materials which may contain trade secrets such as manuals, computer programs, and the like. Thus, the only interest remaining in the 1909 Copyright Act concerning unpublished trade secret containing materials concerns "undertakings commenced before January 1, 1978" (*Technicon Medical Information Systems Corp.* v. *Green Bay Packaging, Inc.*, 687 F.2d 1032 (7th Cir. 1982) at 1034 n. 4).

It is now nearly five years after January 1, 1978. Five years is a long time in an industry as volatile and dynamic as the computer industry, which industry Petitioners claim to be particularly concerned with this issued (Petition, p. 4). Respondent knows of only one other *pending* case involving a similar issue.[2] That case has been preliminarily decided consistent with the opinion of the Seventh Circuit Court of Appeals in this case.

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[1] Petitioners claim the issue is one of "estoppel." Respondent contends that the more accurate term is "preemption" of trade secret laws which has previously been decided (*Kewanee Oil Co.* v. *Bicron Corp.*, 416 U.S. 470 (1974).)

[2] *Management Science America, Inc.* v. *Cyborg Systems, Inc.*, 6 Computer L. Serv. Rep. (Callaghan) 921 (N.D. Ill. 1978).

Petitioners also cite *Warrington Assoc.* v. *Real-Time Eng. Systems, Inc.*, 522 F. Supp. 367 (N.D. Ill. 1981); *Avco Corp.* v. *Precision Air Parts, Inc.*, 210 U.S.P.Q. (BNA) 894 (M.D. Ala. 1980), aff'd on other grounds, 676 F.2d 494 (11th Cir. 1982); and *Mitchell* v. *Penton/Industrial Publishing Co.*, 486 F.Supp. 22 (N.D. Ohio 1979) as "recent cases involving related issues which skirt, but have not fully addressed, the question." (Petition at p. 13.) Those cases involve preemption considerations under the 1976 Copyright Act. The issue here, involving the 1909 Copyright Act, is beyond their purview although, by their citation, Petitioners apparently concede that considerations of preemption are present here.

The only other case known to respondent to have involved essentially the same issue here is that of *M. Bryce and Associates* v. *Gladstone*, 107 Wis.2d 241, 319, N.W.2d 907 (Ct.App. 1982), cert. denied, 51 U.S.L.W. 3304 (October 18, 1982)(No. 82-340). In *Bryce* the State of Wisconsin Court of Appeals decision was consistent with the decision of the Seventh Circuit Court of Appeals in this case. When this Court was asked, by petition for a writ of certiorari, to review that decision *the petition was denied.*

Similarly, petitions for writs of certiorari have recently been denied in *Morseburg* v. *Balyon*, 621 F.2d 972 (9th Cir. 1980), cert. denied 449 U.S. 983 (1980) and *Mitchell Brothers Film Group* v. *Cinema Aduit Theatre*, 604 F.2d 852 (5th Cir. 1979), cert. denied 445 U.S. 917 (1980), both of which sought this Court to interpret the effect and meaning of statutory language in the 1909 Copyright Act.

While the semantic question presented here may be of historical interest to some copyright practitioners[3] its resolution will not have far ranging practical, commercial or legal ramifications. Moreover, this Court has recently rejected the essentially identical question from the next to last case in a very short line of cases (this probably being the last) involving this question and should do the same here.

B. The Seventh Circuit Decision Does Not Conflict with the Universal Copyright Convention.

The Universal Copyright Convention provides that works which qualify for copyright protection under the laws of a member country will be protected under the copyright laws of fellow member nations. While each country may have its own formalities concerning copyright notice the Convention members have agreed that use of a © notice will satisfy notice requirements of member nations. As explained in Nimmer, Nimmer on Copyright, §17.08 (1982):

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[3] Copyright practitioners considering this question condoned using a statutory copyright notice on trade secret materials by a "consensus" of participants discussing the issue. 1980 ABA Committee Reports, Section of Patent, Trademark and Copyright Law 211, at 218 (presented at the annual meeting, August 1-5, 1980).

> "It is true that the Universal Copyright Convention does provide for a form of copyright notice, but as explained in an earlier section, the use of such notice is not per se a condition to U.C.C. protection. It is significant rather as a device for excusing any other formalities which a country might otherwise require as a matter of its own domestic law. Absent any such formalities in a given country, use of the U.C.C. notice is unnecessary to protection in such country since there are no formalities which need be excused."

Concerning publication of a work in the United States without notice, Nimmer explains at §17.08:

> "The period of protection fixed by the U.S. Copyright Act for a work published without notice may be either zero, by reason of immediate injection into the public domain under the 1909 Act, or possibly no more than five years from publication, under the Copyright Act of 1976. May it, then, be argued, under the rule of the shorter term, that once such a work, first published in the United States, enters the public domain in the U.S., it need no longer be protected in other U.C.C. countries? The authorities are agreed that such a conclusion is incorrect, and that *a work by an American national first published in the United States* (after the effective date of the U.C.C.) *will be entitled to full protection in each of the other U.C.C. countries, not diminished by reason of its having entered the public domain in the United States if such public domain status was due to the failure to affix the notice required under U.S. law.*" (emphasis added)

Thus, just as use of a notice does not bestow a benefit to support estoppel under the 1909 Copyright Act, use of a notice bestows no benefit under the Universal Copyright Convention upon which to support an estoppel.

CONCLUSION

For the foregoing reasons Technicon Medical Information Systems Corporation respectfully requests that the Petition be *denied.*

Dated: December 1, 1982.

Respectfully submitted,

TOWNSEND AND TOWNSEND

By /s/ HENRY C. BUNSOW
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No. 82-775

In the

Supreme Court of the United States

OCTOBER TERM, 1982

GREEN BAY PACKAGING INC., ST. VINCENT HOSPITAL, AND LEO N. CROWLEY,

Petitioners,

vs.

TECHNICON MEDICAL INFORMATION SYSTEMS CORP.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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ARGUMENT

I. THIS CASE PRESENTS AN IMPORTANT QUESTION OF FEDERAL LAW WHICH SHOULD BE, BUT HAS NOT BEEN, SETTLED BY THIS COURT.

It is curious that Respondent alone labels the question presented as a "semantic" one which may only be of "historical" interest, while the American Bar Associa-

tion reports that "Lawyers continue to be plagued by the uncertainty of the interplay between state trade secret law and federal copyright protection." 1981 ABA COMMITTEE REPORTS, SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW 91, 93 (presented at the annual meeting, August 7-12, 1981).[1]

At page three of the Petition for writ of certiorari, under the introductory statement, Petitioners have already asserted that "this case presents a question of great importance, which has vexed those asserting and defending against alleged trade secret rights for at least the past 70 years, but which has never been addressed by this Court." Confronted with that statement and the reported views of the members of the American Bar Association, Respondent's feeble retort is that Petitioners have failed to specify the portion of the Supreme Court Rules under which certiorari is sought.

In order that their position be crystal-clear, Petitioners expressly rely upon Rule 17(1)(c) of the Rules of the Supreme Court of the United States:

> When . . . a federal court of appeals has decided an important question of federal law which has not been, but should be, settled by this court . . . .

Petitioners urge, for the reasons amply stated in the petition, that the important question presented should be decided by this Court in order to give uniform guidance in the interpretation of the federal Copyright Law.

---

[1] Despite several inaccurate or misleading statements in the section of Respondent's brief entitled "Factual Background," this reply brief will address only the two issues argued by Respondent, that is, the importance of the question presented and the interpretation of the Universal Copyright Convention Treaty.

Respondent tries to belittle the importance of the question presented for certiorari by asserting that the 1969 Copyright Act has been superseded by the 1976 Act and therefore is of no import.[2] As the Seventh Circuit Court of Appeals commented, any expectation that the question presented would no longer arise is "wishful thinking." *Technicon Medical Information Systems Corp.* v. *Green Bay Packaging Inc.*, 687 F.2d 1032, 1034 n.4 (7th Cir. 1982), App. 3 n.4. The same question can arise under the 1976 Act; therefore respondent's argument that this case is merely of "historical" interest is incorrect.

Additional reasons exist for granting the requested writ. First, it is naive to assume that the statutory estoppel created by copyright notice will cease to exist because of the 1976 Copyright Act. The concepts of publication and notice are inextricably intertwined in both the 1909 Copyright Act and the 1976 Copyright Act. *See, e.g.*, M. NIMMER, NIMMER ON COPYRIGHT §§ 4.01, 7.04-7.14 (1982). Indeed, the content of copyright notice under the 1976 Copyright Act (17 U.S.C. § 401(b) (Supp. IV 1980)) is substantially identical to that set forth

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[2] Additionally, at page 8 of its brief, Respondent implies that two cases in which certiorari was denied two years ago involve similar issues. However, the questions presented in these cases were far afield. *Mitchell Brothers Film Group* v. *Cinema Adult Theater*, 604 F.2d 852 (5th Cir. 1979), *cert. denied sub nom., Bora* v. *Mitchell Brothers Film Group*, 445 U.S. 917 (1980) involved the extent to which the "obscenity" of a copyright work could be a defense to copyright infringement (see questions presented in Petition for Certiorari, 48 U.S.L.W. 3556 No. 79-1088, Sup. Ct. 1980)), while *Morseburg* v. *Balyon* 621 F.2d 972 (9th Cir. 1980), *cert. denied*, 449 U.S. 983 (1980), concerned the constitutionality of a California resale royalties act (see questions presented in Petition for Certiorari, 49 U.S.L.W. 3335 (No. 80-411, Sup. Ct. 1980)).

in the 1909 Copyright Act (17 U.S.C. § 19 (1976))[3] and, as with the 1909 Copyright Act and the Universal Copyright Convention, © also signifies a published work in the 1976 Copyright Act. Also, contrary to respondent's assertion, the issue presented here is one of *estoppel*, and not pre-emption. Finally, both the 1909 and 1976 Copyright Acts provide criminal sanctions for fraudulent use of the statutory copyright notice (compare 17 U.S.C. § 105 (1976) with 17 U.S.C. § 506 (Supp. IV 1980)), evidencing Congressional concern that the public not be misled by misuse of the statutory notice.

The important question presented obviously can and unquestionably will arise again under *either* Act unless this court resolves the issue.

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[3] The text of Section 401(b) of the 1976 Act is as follows:

(b) FORM OF NOTICE. — The notice appearing on the copies shall consist of the following three elements:

(1) the symbol © (the letter C in a circle), or the word "Copyright," or the abbreviation "Copr."; and

(2) the year of first publication of the work; in the case of compilations or derivative works incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient. The year date may be omitted where a pictorial, graphic, or sculptural work, with accompanying text matter, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful articles; and

(3) the name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.

II. THE CONFLICT BETWEEN THE COURT OF APPEALS DECISION AND THE UNIVERSAL COPYRIGHT CONVENTION NECESSITATES GRANT OF THE PETITION.

In a rather cryptic page-and-a-half argument consisting primarily of quotations from Professor Nimmer's book, Respondent attempts to support its broad assertion that the Seventh Circuit Court of Appeals decision does not conflict with the Universal Copyright Convention Treaty. Respondent overlooks that, as quoted at page three of the petition, the Universal Copyright Convention defines a form of notice that includes the year of first publication, and "publication" is defined as "general distribution to the public . . . ." Respondent has invoked the protection of the Universal Copyright Convention and is therefore estopped to deny that its computer manuals are freely accessible to the public. By totally omitting reference to the Universal Copyright Convention, both the District Court and the Seventh Circuit Court of Appeals have neglected to consider the impact of improper use of copyright notice in a form prescribed by the Universal Copyright Convention.

Also, respondent's own cited authority supports petitioners' estoppel argument and emphasizes the importance of the © symbol in the notice pursuant to the Universal Copyright Convention. Nimmer explains that using the © symbol invokes the protection of the Universal Copyright Convention: "It is significant . . . as a device for excusing any other formalities which a country might otherwise require as a matter of its own domestic law." M. NIMMER, NIMMER ON COPYRIGHT § 17.08 (1982). If a person has affixed a "©" and date of publication to a work, and has distributed the work to the public, then the person has represented that the work is published

pursuant to the Universal Copyright Convention, and the work can no longer enjoy inconsistent status as trade secret material.

This Court's guidance is needed to insure that the relationship of the United States with the other signatories of the Treaty is not adversely affected by the Seventh Circuit's decision.

III. CONCLUSION

For the reasons set forth above, Petitioners again urge that this Court issue a writ of certiorari to the United States Court of Appeals for the Seventh Circuit to review the judgment and opinion of that Court.

Respectfully submitted,

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Dated: DECEMBER 20, 1982